



ELGIN, JOLIET AND EASTERN RAILWAY COMPANY

P. O. BOX 880 • JOLIET, ILLINOIS 60434

815 / 740-6800

J. F. MADDEN
GENERAL MANAGER

February 11, 1986

Mr. Jonathan T. McPhee
Assistant Regional Counsel
United States Environmental Protection Agency
Region 5
230 South Dearborn Street
Chicago, Illinois 60604

Re: Conservation Chemical Company of Illinois Plant
at 6500 Industrial Highway, Gary, Indiana

Dear Mr. McPhee:

This morning I was furnished with a copy of your letter of January 21, 1986 to Laurence McHugh of Rooks, Pitts and Poust relating to fencing of the CCCI Facility near our Cavanaugh, Indiana Station. The letter states in part:

"We have been told by Mr. Hjersted that he had an arrangement with EJ&E under which he was allowed to discharge hazardous wastes into the ponded area lying to the west of the site across one of the track berms. Our position is that, this being the case, EJ&E is also a responsible party within the meaning of CERCLA. It was my understanding from our last meeting that your firm has an ongoing relationship with EJ&E, and that you were going to approach them about gaining access to their property on both east and west sides of the site to allow placement of necessary fencing and gates."

"As EJ&E is potentially a responsible party, having allowed placement of waste that includes the same material for which your group has been charged under the Order, there should be little problem obtaining the necessary access to install and maintain the fence."

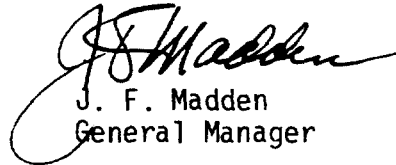
Neither Conservation Chemical Company of Illinois nor Norman Hjersted has now or ever had any arrangement with the Elgin, Joliet and Eastern Railway Company whereby either of them could discharge hazardous wastes on EJ&E property.

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Mr. Hjersted would have absolutely no basis to make the statements which you attribute to him as he well knows that the EJ&E has expressed its continuing concern to him for fifteen years about his operations. For example, see copies of our former Chief Engineer's letters to him of June 6, 1974 and May 26, 1971.

To the extent that your letter suggests that the EJ&E has been uncooperative with the fencing plan for the CCCI facility - and sets forth an implied threat of government action to induce cooperation - you are misinformed. Our Engineering Department has gone out of its way to accommodate and cooperate with anyone and everyone seeking to erect a fence around the CCCI site and we will continue to do so. As much as anyone, we would like to have the site cleaned up.

Very truly yours,



J. F. Madden
General Manager

attachments

cc: Norman B. Hjersted
6500 Industrial Avenue
Gary, Indiana

June 6, 1974

Mr. N. B. Hjersted, President
Conservation Chemical Company
6500 Industrial Avenue
Gary, Indiana

Dear Sir:

A recent inspection of our right of way in the vicinity of your plant revealed sludge and waste oil has again been pumped into open pits either partially or completely on Railway Company property.

In 1971 this operation was supposedly permanently stopped in compliance with anti-pollution legislation enacted by the State of Indiana. At that time, your Plant Superintendent admitted he did not have any legal right to dump any waste products on Railway land and acknowledged that no permit existed covering any use of said land.

Your present actions are not only illegal and in view of past discussion and correspondence, inexcusable, but the aforesaid inspection indicates a very real and very immediate danger to our main line track and right of way. There is very definite evidence that oil from these pits is seeping through the main line embankment as traces were found on both sides of the road into the abandoned army base.

Please be advised that you are hereby requested to immediately cease pumping any and all oil or similar substance onto Railway property and to remove all such material presently on said property.

Furthermore, please understand that Conservation Chemical Company is to be held responsible for any and all loss or damage caused by fire, by washout of the embankment or any other incident arising from or related to the unauthorized actions of Conservation Chemical Company personnel trespassing upon Railway property.

If this problem is not satisfactorily resolved as a result of this correspondence, the Railway Company will be forced to take other action to protect its interests and its real estate.

Sincerely,

R. F. Beck
Chief Engineer

KJS:kgc
cc: R. C. Johnson

May 27, 1971

Manager
Conservation Chemical Co.
6500 Industrial Highway
Gary, Indiana

TO	NOTED	DATE	FILE
XXX	XXX		
XXX	XXX		
LET			
HEN			
LOW			
JRB			

Dear Sir:

In regard to your dumping of a non-descript liquid sludge material into a pond on railway company property in the area near our Station known at Javanaugh, Indiana, and indicated in red on print attached.

Railway's concern is that this extremely foul appearing material may over-flow onto our adjacent property in the vicinity of the NE corner of N41, Section 35, T37N, R 9 W.

Your operation is making use of ponds left by Johnson Oil Company and Barry Oil Refining Company on our property to dispose of waste neutral salt solutions from your operations.

The subject pond has not been in use for dumping for some time but has a pipe connection to the large pond next to the Railway Company's Joliet main line in the area east of Round and Greenwalt Lead, and apparently it is intended that this will act as an over-flow from the large pond if it would become too full.

It is our understanding from your conversation with our Division Engineer, Dangremond, that use of the ponds will have to be eliminated in the near future as the result of anti-pollution legislation as you were advised in conversation with representatives of the State of Indiana.

There has never been a formal agreement for use of railway company property for waste material with Conservation Chemical or any of the former owners of the plant. Therefore, Conservation Chemical has no authority whatsoever to use Railway Company's property for waste materials and the Railway is advising Conservation Chemical to cease operations on Railway Company property immediately.

It must be understood that EUE Railway Company has no responsibility whatsoever in disposition of the waste material on Railway Company property and as above stated, such operation must be halted immediately.

It is the Railway Company's request also that Conservation Chemical clean up the area of disposition on Railway Company right of way at their earliest convenience.

Yours very truly,

MM:pag
cc: L. J. Scroggin
Plant Mgr., Cities Service

R. F. Beck
Chief Engineer

bcc: JEA: FWT: RVD